

## **CORN PRODUCERS GET A PRICE BOOST FROM HUSKER AG LLC USDA ASSISTED VALUE ADDED ACTIVITY**

### **Outline of Need:**

Husker Ag LLC of Plainview, Nebraska, is a majority controlled producer based venture with over 500 members, approximately 70 percent of which are agricultural producers. As a fuel grade ethanol production plant, Husker Ag LLC processes 8.5 million bushels of corn annually into more than 20 million gallons of fuel grade ethyl alcohol (ethanol). A secondary product produced is distillers grain (referred to as co-product). Co-products are the corn components that remain after the starch is converted to ethanol.

The traditional operating procedures of ethanol plants are to mechanically dry the by-product (co-product) from 70 percent down to 10 percent via a drying process that consumes large amounts of natural gas. Husker Ag will market their co-product as a “modified” product containing about 55 percent moisture thereby reducing the amount of natural gas consumed--netting a substantial annual decrease in energy costs and thereby reducing air emissions.

### **How Rural Development Helped:**

Husker Ag LLC received a \$226,850 value-added agricultural product market development grant (VADG) from USDA Rural Development matched by Husker Ag LLC to be used for working capital to further the development of value-added processes for area corn.

“The USDA Rural Development grant will allow us to employ a Co-Products Merchandiser, and supplement the salaries of the Plant Maintenance Manager and Plant Lab Manager to proceed with our distillers grain production that will benefit area feedlots and member producers. Additionally the monies will help to purchase corn inventory for production purposes,” stated Allen Sievertsen, general manager for Husker Ag LLC.

### **The Results:**

The ethanol plant has increased the local demand for corn, resulting in a higher local corn price. Farmers used to be paid only a wholesale commodity price for their corn that in turn was shipped out of the immediate area. Currently Husker Ag LLC pays on average, \$.05-\$.10 per bushel over the prevailing corn market price. Since the plant is located closer to the producers' operations than other traditional markets, local farmers haul their own corn versus having it trucked, saving on trucking costs and increasing their income.

“Feedlots will benefit from the co-product produced as it is an excellent source of protein and energy for livestock,” stated Sievertsen. “The plant will have the capacity to produce co-product to feed 80,000 head of livestock.”

Employment has increased from 30 to 32 employees thanks to the development of the new co-product. The production is presently in excess of 25 million gallons per year output which exceeds the facility's estimated projections. Co-product revenues have contributed over \$6 million at year to date.

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